

FORUM OF REGULATORS FOR EASTERN AND NORTH-EASTERN STATES(FORENS)

Secretariat: C/o-ODISHA ELECTRICITY REGULATORY COMMISSION (OERC)

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From

Antaryami Sahoo,
Secretary, FORENS

To

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Sub: Minutes of the 16th meeting of the Forum of Regulators for Eastern & North-Eastern States (FORENS) held from 24th to 26th May, 2023 at Shillong, Meghalaya

Sir,

Enclosed, please find herewith the Minutes of the 16th meeting of Forum of Regulators for Eastern & North-Eastern States (FORENS) held from 24th to 26th May, 2023 at Shillong, Meghalaya.

Encl: As above.

Yours faithfully,


26/06/23
SECRETARY, FORENS

Minutes of the 16th meeting of the Forum of Regulators for Eastern and North-Eastern States (FORENS) held at Shillong, Meghalaya from 24th - 26th, May, 2023 hosted by Meghalaya State Electricity Regulatory Commission (MSERC)

The 16th meeting of FORENS held at Shillong from 24th – 26th May, 2023 was hosted by MSERC. Mr. Abu Taher Mondal, the Hon'ble Minister of Power, Govt. of Meghalaya inaugurated the 16th meeting of FORENS by lighting the digital lamp and chaired the inaugural session. The inaugural address was delivered by Mr. P.W. Ingty Chairperson of MSERC. He expressed happiness over the presence of Hon'ble Minister, Power Department, Meghalaya and welcomed all the delegates to the meeting.

A presentation on the Power Sector of Meghalaya including Overview of Generation, Transmission and Distribution sector of the State was made by the host Commission. The presentation covered certain important aspects related to power sector of Meghalaya such as restructuring of power Sector in Meghalaya, Generation mix from various sources, exploitable power Potential of the State, pattern of consumption, number of consumers, AT&C losses and existing transmission system etc.

Hon'ble Minister welcomed the delegates and, in his speech, he highlighted about the progress of electricity sector in Meghalaya over the years. He also emphasized about pricing, availability & reliability of electricity, participation of various stakeholders in the interest of the consumers. He expected a fruitful deliberation on the common issues related to the Eastern & North Eastern states.

The vote of the thanks was proposed by the Secretary, Meghalaya ERC for the inaugural session.

FORENS Meeting

The Chairperson of Meghalaya SERC, Mr. P.W. Ingty delivered the welcome address. Mr. Ingty also informed the house about the sad and untimely demise of Late Shri L.Pachau, Member Joint ERC (Manipur and Mizoram) who breathed his last a few days back. The members observed one-minute silence in memory of the departed soul. He requested Mr. S.C. Mahapatra, Chairperson Odisha ERC and FORENS to preside over the meeting.

Mr. S.C. Mahapatra, the Chairman of FORENS and Chairperson Odisha ERC, welcomed the members of participating State ERC and new members who have joined various

Commissions after the last meeting. He thanked Mr. Ingty, Chairperson MSERC for hosting the meeting in a very short notice ensuring comfortable stay and other arrangements for the meeting. He wished that FORENS will continue to discuss the common issues affecting the member states of Eastern & North Eastern Region and make suitable recommendations, if required, to the FOR or Government of India. He also welcomed Mr. A. K. Sinha Member Bihar ERC and Mr. A Bhattacharya, Member Law, Assam ERC who have assumed their offices after the last meeting.

Agenda-1: A presentation on the Power Sector of Meghalaya by Meghalaya SERC

A presentation on the Power Sector of Meghalaya – State Overview, Generation, Transmission and Distribution sector was made by the host Commission. The members discussed the same.

Agenda-2: Confirmation of the minutes of the 15th meeting of FORENS held at Gangtok on 19th – 21th October, 2022

The minutes of the above meeting was circulated by FORENS Secretariat, vide letter No.1350 dt.23.11.2022. No views/comments were received from the Members of FORENS on the same and the minutes of the meeting was confirmed.

Agenda-3 ATR of 13th FORENS meeting.

1. Audit Report of FORENS Account

Mr. Ajoy Sahu, Jt. Director (FA), FORENS, informed that the audit for the past years: FY 2019-20, FY 2020-21 and FY 2021-22 was completed and the Balance sheets from the reports of the auditors were placed before the Members for discussion. The members after discussion expressed their opinion that the entire set of Audit report may be circulated among the member commissions. As decided in the meeting, the complete audit report for each year FY 2019-20, FY 2020-21 and FY 2021-22 will be sent to the member commissions.

2. FORENS Website

In the last meeting, the members had suggested to exercise caution in placing the contents on the website which can be potentially misused to spread misinterpreted views of the forum discussed in the meeting. Members also raised concern about the choice of contents which should be accessible to the general viewer. The members suggested that the contents to be

placed in the website may be recommended by Secretary FORENS and approved by the Chairperson FORENS.

As suggested by the members, a separate website for FORENS is to be created instead of clubbing it with OERC website. A quotation has been received from M/s Luminous Infoway for development of new website at a cost of Rs.1.10 lakh. The annual maintenance of the website will be 15% of development cost. It was informed to the members that the vendor is also presently responsible for upkeep and maintenance of OERC website.

The matter was discussed and members again reiterated that the contents in the new website may be put as per the advice of the Chairperson OERC. The members also agreed for placing orders on the above vendor and suggested that important orders of SERC of Eastern & North Eastern States, various proceedings of last meetings & site visits, best practices of various states and any other important information etc. may be put on the website with approval of Chairperson, FORENS.

Agenda-4: Financial Position of FORENS Account

- a) The Sikkim ERC was paid Rs.15 lakhs from FORENS account for hosting the last meeting of FORENS (15th meeting) from 19th to 21th October, 2022 at Gangtok.
- b) The current available balance in the FORENS account is Rs. 43.19 lakh.
- c) The members were requested to remit the Annual subscription for the financial year 2023-24, if not paid so far, to the FORENS Secretariat.
- d) After deliberation on sharing of expenses, the members agreed to contribute Rs. 15 lakhs from FORENS fund to host Commission Meghalaya SERC for meeting the expenses towards organising the 16th meeting of FORENS.

The members also decided that the contribution for the future meetings will be shared by host SERC and FORENS fund in the ratio of 30:70 subject to the maximum contribution of Rs.15 lakhs from the FORENS fund.

Agenda-5: Higher interstate Point of Connection Charges for Eastern states.

As regards to implementation of CERC (Sharing of Inter-State Transmission Charges and Losses) Regulations, 2020, a committee consisting of the following Members of the forum was constituted in an earlier meeting to study issues, if any, of the Member Commissions with reference to the new Regulation.

1. Shri D. Radhakrishnan, Chairperson Tripura ERC, Chairman of the Committee

2. Shri S. Kalita, Member Assam ERC, Member of the Committee
3. Shri. S.K. Ray Mohapatra Member Odisha ERC, Member of the Committee

Mr. S.N. Kalita Member AERC made a PowerPoint presentation relating to PoC. Mr. Kalita highlighted the key issues and explained in brief giving a comparison of Sharing Regulations 2010 and 2020. The impact on transmission charges on various states of Eastern Region (ER) & North Eastern Region (NER) due to change in Regulations was explained giving typical example of Assam. The members discussed various issues and decided to approach Government of India highlighting issues which has significant financial impact on smaller states in ER & NER, particularly dedicated HVDC lines for evaluation of RE power covered under national component & high unutilised capacity of transmission system etc. It was agreed that a draft letter will be prepared by the said committee of the FORENS, which will be circulated among the member Commissions for their comments. After incorporating views from the member commissions, the issues & concerns of Eastern & North Eastern States would be brought to the notice of GoI by the FORENS secretariat for necessary action to reduce the financial burden on smaller states in the ER & NER due to sharing of inter-state transmission charges.

Agenda-6: Bihar ERC had proposed the topic on the independent functioning of the Electricity Regulatory Commissions highlighting certain issues such as financial and functional autonomy of Regulators and transparency in appointment with reference to Electricity Act. Shri Arun Kumar Sinha, Member Bihar ERC highlighted various issues regarding the Electricity Act 2003. The members discussed these issues and opined that the amendment of new Electricity Act is pending before the parliament which envisages certain sweeping changes to the Act. This topic may be elaborately discussed after such amendments are ratified by the Parliament. Further member ERCs may obtain documents on various practices in different states and adopt them if required. Many states have given financial autonomy to the ERCs to levy fees from Licensees and they do not depend on Government budget.

Agenda-7: Shri S.K. Ray Mohapatra, Member, OERC highlighted about the innovative approach of OERC for implementation of KUSUM-C Scheme of MNRE for individual pump level & feeder level solarisation for irrigation purpose benefitting the farmers to earn revenue,

reduce cross subsidy burden on subsidizing consumers, reducing distribution loss & overall power purchase cost and promoting DSM & conservation of ground water. He also informed about suo-motu initiative taken by OERC to issue SoP for streamlining & simplifying the implementation of Net Metering (NM)/Gross Metering (GM) and Virtual Net Metering (VNM)/Group Net Metering (GNM) scheme (for group of consumers, particularly in rural areas) in line with MNRE draft document for promoting Roof Top Solar (RTS) system.

OERC had suggested following few topics, which are important and very relevant to the power sector in the Eastern & North Eastern Region for discussion in the meeting. The summary of discussion is as follows:

- a) **Smart Meters-** In view of the Government of India notification, new meters and replacement of existing meters are to be smart meters and implementation of the same within a definite time frame is a challenge for DISCOMs. The members discussed about the status and action plan for installation of smart meters in their respective states, funding mechanism and related issues.

Mr. S. K. Ray Mohapatra, Member OERC informed that it is difficult to match with the time line of GoI for implementation of smart meters. At present four distribution companies of Odisha are planning for installation of smart meter in a phased manner focusing on Govt. consumers, Industrial consumers, three phase consumers & high-end consumers with monthly consumption of 200 units or more in 1st phase. In the next phase other domestic consumers will be provided with smart meters.

Mr. S. N. Kalita, Member Assam ERC stated that Assam is following a time line for the implementation of the Smart Meters to all consumers. However, DISCOMs are facing some resistance from consumers for such implementation. The consumers also apprehend that their electricity bill might increase after installation of smart meters.

Mr. A.K. Sinha, Member BERC stated that they are not facing much resistance from consumers on such implementation. In Bihar consumers have been educated about the benefit of smart meters.

Mr. D. Radha Krishnan, Chairman Tripura ERC stated that they are providing 5% incentive in the billed amount to the consumers interested for installation of smart meters.

- b) **Deviation settlement Mechanism (DSM):** Indian Electricity Grid Code (IEGC) restricts the operational frequency between 49.90 to 50.05 Hz. To maintain the frequency within the band, the power distribution companies must predict demand

accurately and schedule supply accordingly. The DSM instils Grid discipline on two fronts through penalties and incentives. Hence, the Central Electricity Regulatory Commission (CERC) has notified DSM Regulations 2022 on 14.03.2022 which repealed DSM Regulations, 2014. The charges, payable to or receivable by states, are managed through a common DSM pool.

CERC has again linked DSM with Grid frequency as an interim measure to protect grid stability as the grid frequency had deviated dangerously away from the acceptable range of 49.90 -50.05 Hz. (Oscillated from 50.5 Hz and 49.41 Hz on December 2022). Accordingly, a suo motu order has been issued by CERC and the Regulations will be amended in course of time. Wind and Solar generation have also been covered under DSM.

The member commission shared their experience on implementation of DSM in their State. Most of the members opined that the states are not yet prepared to handle these issues.

c) Energy Banking for Renewable Energy generation in non-renewable rich states

To promote RE generation in non-renewable rich State, developers of RE are expecting energy banking so that Round the Clock (RTC) power will be ensured to their prospective consumer(s). The member commissions discussed about their policy or guidelines on energy banking in terms of duration (monthly/annually etc.), quantum, (30/50/100%), selling price to DISCOM & banking charge etc.

As regards Energy banking the members opined that it is still in the nascent stage in their respective states.

Chairperson OERC stated that banked electricity/energy during day time by the developer will not be allowed to avail during peak hour to avoid grid instability.

d) Long term Load forecasting by DISCOMs for proper planning of Distribution network.

The long term (5-year time frame and above) distribution system study based on long term load forecasting is very much required for development of a planned distribution network. The Central Electricity Authority CEA has released draft guidelines on load forecasting for comments of utilities.

Members deliberated on the matter and the outcome of discussion in recent FOR meeting would provide input & further course of action.

e) Electricity subsidy

The electricity subsidies and free power has become topic of discussion and the practice varies from state to state to provide financial assistance to specific consumer categories, such as domestic (residential) consumers, agricultural consumers, and Below Poverty Level (BPL) consumers etc. with intention to make electricity more affordable and accessible to these groups.

Chairperson of OERC informed that Govt. of Odisha does not give revenue subsidy and subsidy is being provided for creation of distribution assets (i.e. in the form of capital subsidy/ grant). He suggested that any rebate to domestic consumer should be given in paisa term instead of % term for better understanding/impact on general consumer.

Agenda-8: Venue for the next meeting (17th) of the FORENS with tentative date.

The earlier meetings were conducted in the following manner.

Sl. No.	Meetings	Dates	Venue	Host Commission
1	1 st meeting	26 th – 27 th October, 2013	Puri	Odisha ERC
2	2 nd meeting	7 th – 8 th February, 2014	Kaziranga	Assam ERC
3	3 rd meeting	13 th – 14 th November, 2014	Rajgiri	Bihar ERC
4	4 th meeting	18 th – 21 st November, 2015	Sundarbans	West Bengal ERC
5	5 th meeting	5 th – 6 th May, 2016	Ranchi	Jharkhand ERC
6	6 th meeting	8 th – 10 th September, 2016	Imphal	Jt. ERC (Manipur & Mizoram)
7	7 th meeting	27 th – 30 th April, 2017	Gangtok	Sikkim SERC
8	8 th meeting	12 th – 14 th October, 2017	Puri	Odisha ERC
9	9 th meeting	19 th – 21 st April, 2018	Itanagar	Arunachal Pradesh ERC
10	10 th meeting	25 th -27 th October, 2018	Bodh-Gaya	Bihar ERC
11	11 th meeting	19 th -22 nd April, 2019	Digboi	Assam ERC
12	12 th meeting	26 th -28 th September, 2019	Dirang	Arunachal Pradesh ERC
13	13 th meeting	22 th -24 th January, 2020	Agartala	Tripura ERC
14	14 th meeting	14 th -16 th July, 2022	Raichak, Kolkata	West Bengal ERC
15	15 th meeting	19 th -21 th October, 2022	Gangtok	Sikkim ERC
16	16 th meeting	24 th -26 th May, 2023	Shillong	Meghalaya ERC

The members deliberated to decide on the venue of the next meeting. The Chairperson of Nagaland Electricity Regulatory Commission (NERC) offered to host the 17th meeting of

the FORENS at KOHIMA, Nagaland. The members agreed to the proposal of NERC and NERC was requested to intimate the venue and time of the meeting to the FORENS Secretariat.

The meeting ended with a vote of thanks proposed by the Secretary, FORENS.

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